

**FUNDING AND COST TRANSFERS BETWEEN VHA FACILITIES
FOR PATIENT CARE ACTIVITIES**

- 1. PURPOSE:** The purpose of this change is to add new Attachment A to Veterans Health Administration (VHA) Directive revising the accounting and budget procedures established by VHA Directive 96-059.
- 2. ACTION:** Replace VHA Directive 96-059, Attachment A dated September 19, 1997, with VHA Directive 96-059 Change 2, Attachment A dated this date.
- 3. FOLLOW-UP RESPONSIBILITY:** The VHA Chief Financial Officer (17/172) is responsible for the contents of this directive.
- 4. RESCISSION:** None. VHA Directive 96-059 and Change 1 and 2 will expire September 30, 2000.

S/ by Thomas Garthwaite, M.D. for
Kenneth W. Kizer, M.D., M.P.H.
Under Secretary for Health

Attachment

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THIS VHA DIRECTIVE EXPIRES SEPTEMBER 30, 2000

ATTACHMENT A

FINANCIAL PROCEDURES

1. COST TRANSFERS

a. A new Standard Voucher – Expense (SE) Transaction has been added to the Financial Management System (FMS). This transaction allows one station to transfer cost to another station. Formerly, this type of transfer required both stations to record their own cost entries, one as an increase and the other as a decrease. With this new SE transaction, one station can enter both the increase to cost at one station and the decrease to cost at another station. The SE transaction can be used for the transfer of operating expense or salary expense. The new transactions are as follows:

<u>TCode</u>	<u>TType</u>	<u>Description</u>			
SE	CM	Operating Cost Transfer			
		Dr. 6100	Cr.	5700	
		9938		9937	
SE	CP	Payroll Cost Transfer			
		Dr. 6122	Cr.	5700	
		9938		9937	

NOTE: The entries are for the serviced facility, servicing facilities entries are reversed.

b. The station initially being costed, i.e., the Consolidated Mail Out Pharmacy (CMOP) station, should be the station entering the SE transaction to transfer the cost to the other station(s). FMS security tables have been modified allowing those individuals with 'PAYMENTS' data entry authority to enter the SE transaction.

c. In order to perform this transfer, the station entering the transaction must know the Accounting Classification Code (ACC), Cost Center and Budget Object Code (BOC) of the station receiving the cost transfer. To make coding of the document easier, four standardized ACCs have been developed. CMOP transfers should use 0100999CM; laundry transfers should use 0100999LA; Laboratory transfers should use 0100999LB; and, transfer for any other activity should use 0100999AO. The AACs have been added to the system, therefore facilities do not have to establish.

d. Coding the SE follows the same instructions as the Standard Voucher (SV) transaction, from which it was cloned.

(1) The 'Doc Total' amount on the initial input screen will be 0.00.

(2) The type of transfer is an Expense (E).

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Change 2

December 7, 1998

(3) The 'I/D' field for the station transferring cost will be coded with a 'D.' The 'I/D' field for the station receiving the cost will be coded with an 'I.'

2. SERVICING FACILITY RESPONSIBILITIES

a. Each Serving facility will prepare and distribute to their customers (served VA medical centers) a price list for services to be furnished. The servicing facilities must ensure that personal services and operating costs are included in the price. The price list should be published in time for customers to estimate the amount of funds to be transferred to the servicing facility prior to the cut off for the annual budget plan. If equipment or Non-recurring Maintenance (NRM) funds are required, each serviced facility should be notified of their pro-rated share.

b. Employee travel for employees associated with the servicing activity will be provided by serviced facilities and approved by the CMOP Board of Directors.

c. Servicing facilities are responsible for returning excess funding to customers. Servicing facilities should notify the Allocation and Control Section (172B1) via FORUM e-mail, of amounts to be returned to respective customers.

d. Servicing facilities are responsible for monthly process of SE transactions as specified in Paragraph 1.

3. SERVICED FACILITIES RESPONSIBILITIES

a. Serviced facilities must ensure that funds for their estimated amount of purchases as well as their share of travel, equipment, and NRM requirements are transferred to the respective servicing facility, as soon as possible after receiving their allocation. These transfers will be sent to the Allocation and Control Section (172B1), via FORUM e-mail, with notification to the VISN financial manager. If servicing facilities have not published price lists, customers should make a best estimate based on most recent purchases.

b. The customer is also responsible for initiating subsequent Transfer Dispersing Authority (TDAs) that will increase initial funding action. Since servicing facilities, especially CMOPs, must have funds to process orders, it is essential that additional funds are provided on a timely basis so that CMOP operations will not be interrupted.